

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1688 - SB 1686

January 27, 2022

SUMMARY OF BILL: Creates a common carrier license issued by the Tennessee Alcoholic Beverage Commission (ABC) for individuals and entities that transport wine from a winery direct shipper or “fulfillment house” to in-state consumers. Requires applicants to submit a \$300 application fee and an annual \$500 license fee to ABC for each license. Effective January 1, 2023.

Effective upon becoming law, expands the Class E felony charge, punishable by fine only, for shipping wine without an authorized license, to include all alcoholic beverages and beer. Enacts a Class B misdemeanor offense, punishable by fine only, for delivering alcoholic beverages and beer to an individual without checking a valid, government-issued identification for proof the individual is 21 years of age or older.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$4,800/FY22-23/ABC Fund
\$3,000/FY23-24 and Subsequent Years/ABC Fund

Assumptions:

- Any increase in state expenditures for ABC to administer such licensing is not significant.
- A common carrier is required to obtain a separate license for each separate warehouse where the common carrier has physical possession of wine.
- According to ABC, Virginia requires a similar license for common carriers and currently reports six license holders.
- It is estimated that there will be six applicants for a common carrier license. Due to the effective date, such applicants will be required to be licensed by January 1, 2023.
- The increase in state revenue to ABC is estimated to be \$4,800 [(\$300 application fee x 6) + (\$500 annual fee x 6)] in FY22-23.
- The recurring increase in state revenue to ABC is estimated to be \$3,000 (\$500 annual fee x 6) in FY23-24 and subsequent years.
- Any increase in fine revenue is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Krista Lee Carsner, Executive Director

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